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Central Intelligence Agency



Washington, D.C. 20505

21 SEP 1988

OCA 3077-88

The Honorable James C. Miller, III
Director
Office of Management and Budget
Washington, DC 20503

Dear Mr. Miller:

This is in response to your request for the views of the Director of Central Intelligence (DCI) on the enrolled bill H.R. 4387, the Intelligence Authorization Act for Fiscal Year 1989.

The bill authorizes appropriations for the conduct of intelligence and intelligence-related activities. The efforts of the House and Senate Intelligence and Armed Services Committees combined jointly with those of the agencies and departments comprising the Intelligence Community are responsible for the necessary funding of these activities.

We are pleased that the funding levels authorized this year are somewhat greater than what we requested. Although the increased sums sometimes fall within categories other than those for which we sought increases, we are nonetheless confident that the Intelligence Community will be able to fulfill its mission in the coming year.

We note with approval the inclusion of many provisions the Administration supports. In particular, we are satisfied with the inclusion of the provision pertaining to the Federal Employee Retirement System and Central Intelligence Agency Retirement and Disability System special election authority. We believe a great many people will benefit from the opportunity of having a second chance to choose a retirement system tailored to their needs. Likewise, we are gratified by the section granting the authority to compensate former employees or provide them with other relief when their careers have been adversely affected because of allegations pertaining

to their loyalty to the United States. Lastly, we applaud the decision to allow the conduct of a demonstration project relating to personnel and operations in the New York Field Division of the Federal Bureau of Investigation.

We remain concerned with the section of the bill that requires the DCI to report to the intelligence committees certain activities pertaining to the Agency's Office of Inspector General. Earlier this year, I testified before the Senate on my opposition to the establishment of an independent inspector general appointed by the President and confirmed by the Senate. The provision in the bill constitutes a compromise between my views and those of the Congress. I believe that this compromise, although imperfect, is nevertheless acceptable. We, at the Agency, are aware, and have made the staff of the Senate Intelligence Committee aware, that the Department of Justice feels strongly that the section would allow an unconstitutional intrusion into the deliberative processes of the Executive branch.

Members of the Senate Intelligence Committee have recently informed me that continued action by the Administration to press the Chairman of the Committee to agree to significant amendments to this bill will eradicate the compromises both sides have reached. There would undoubtedly be an effort on the Senate floor to amend the bill to place the Agency under the purview of the more severe requirements of the Inspector General Act of 1978. This result would raise more serious practical and constitutional problems than the compromise now included in H.R. 4387.

Accordingly, for the reasons set forth above, I recommend Presidential approval of the bill. Enclosed is a suggested signing statement for the President's use reflecting the views set forth in this letter.

Sincerely yours,

/s/ [Signature]

William H. Webster
Director of Central Intelligence

Enclosure
As stated

PRESIDENTIAL SIGNING STATEMENT
FISCAL YEAR 1989 INTELLIGENCE AUTHORIZATION ACT
(H.R. 4387)

I have signed H.R. 4387, the Intelligence Authorization Act for Fiscal Year 1989. This legislation authorizes the appropriation of funds for United States intelligence and intelligence-related activities. The efforts of the House and Senate Intelligence and Armed Services Committees combined jointly with those of the agencies and departments comprising the Intelligence Community are responsible for the necessary funding of these activities.

I am gratified with the funding levels authorized by this bill. It also contains many positive legislative initiatives which are the product of cooperation between the aforementioned committees and the Intelligence Community. We were all pleased to see the results of this cooperation and will work to ensure that it continues in the future.

OCA 3077-88

SUBJECT: Letter to J. Miller (OMB) regarding FY89 Intelligence
Authorization Enrolled Bill, H.R. 4387

OCA/LEG/ [] (15 September 1988)

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